

# EXHIBIT 2

SUNAMERICA HOUSING FUND 1221,  
A NEVADA LIMITED PARTNERSHIP  
c/o AIG Retirement Services, Inc.  
1 SunAmerica Center, Century City  
Los Angeles, California 90067-6022

November 25, 2008

VIA FACSIMILE AND UPS OVERNIGHT

Cane Creek Memphis, LLC  
224 Madison Avenue  
Memphis, Tennessee 38103  
Attention: Stephen G. Turgeon  
Facsimile No. (901) 521-0539

**Re: Cane Creek Apartments, Memphis, Tennessee**

Gentlemen:

Reference is made to the Amended and Restated Agreement of Limited Partnership of the Cane Creek Crossing, L.P. (the "Partnership") dated as of September 3, 2004, among Cane Creek Memphis, LLC, a Tennessee limited liability company (the "General Partner") and SunAmerica Housing Fund 1221, A Nevada Limited Partnership ("SHF") (the "Partnership Agreement"). (Capitalized terms not defined herein shall have the definitions given them in the Partnership Agreement).

Pursuant to Section 6.9(a)(iii) of the Partnership Agreement, the General Partner is required to provide such funds to the Partnership as are necessary to pay Excess Development Costs. The General Partner has failed to meet this requirement, which constitutes a default under the Partnership Agreement.

Pursuant to Section 5.10(b) of the Partnership Agreement, SHF has the right to make LP Loans to fund reasonable and necessary obligations of the Partnership. You are hereby notified that SHF will make a Default LP Loan to the Partnership in the amount of \$38,140.19 on or about December 3, 2008, which Default LP Loan will be made to fund debt service expense. The Default LP Loan shall bear interest and be payable in accordance with the provisions of Section 5.10(b) of the Partnership Agreement.

Section 8.3(a)(i) of the Partnership Agreement specifically provides that a breach of any representations, warranties, covenants or other obligations of the General Partner under the Partnership Agreement shall constitute a "Conversion Event".

Please be advised the General Partner has thirty days to cure the default noticed above. If, at the end of such thirty-day period, the General Partner has not cured such defaults, then

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This letter shall not operate as or be construed to be a waiver by SHF of any other violations or of any subsequent breach. SHF reserves the right to exercise all remedies available to it under the Partnership Agreement, at law or in equity against the General Partner and Guarantors.

Sincerely,

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LIMITED PARTNERSHIP

By: AIG RETIREMENT SERVICES, INC., a  
Delaware corporation, General Partner

By:   
Michael L. Fowler, Vice President

cc: William R. Bruce, Esq.  
707 Adams Avenue  
Memphis, Tennessee  
Facsimile No.: (901) 521-0539

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